

**THE EFFECT OF PREVENTIVE CONTROL AND DETECTIVE CONTROL ON  
EFFECTIVENESS OF BUDGET IMPLEMENTATION WITH ACCOUNTABILITY AS  
MODERATING VARIABLE**

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**ABSTRACT**

This study aims to examine and analyze the effect of preventive control and detective control on the effectiveness of budget execution with accountability as a moderating variable.

The object of research is the district government. Sinjai. The population in this study amounted to 90 respondents. The sampling factor used purposive sampling with the characteristics of the respondents, gender, age of the respondent, last education, position, tenure of the respondent and filling out the questionnaire in the SKPD of Sinjai Regency. Collecting data using a questionnaire with moderated regression analysis (MRA) data analysis.

The results of the hypothesis show that; 1) preventive control affects the effectiveness of budget implementation, 2) detective control affects the effectiveness of budget implementation, 3) accountability moderates and strengthens preventive control on the effectiveness of budget implementation, 4) accountability moderates and strengthens detective control on the effectiveness of budget implementation.

**Keywords:** preventive control, detective control, budget execution effectiveness, accountability

**INTRODUCTION**

Internal control refers to actions and procedures designed and implemented to improve operational efficiency, financial reporting, compliance objectives and expectations in safeguarding assets (Peter et al., 2020). Control over the implementation of the budget is carried out to ensure that the collection of state revenues and the distribution of state expenditures do not deviate from the plan set out in the state budget. The success of the government in encouraging economic growth to avoid deviations or activities that are not in accordance with procedures related to the management of regional resources (Erinda and Lailatil, 2019). First, the factor that affects the effectiveness of budget implementation is preventive control. Preventive control is prevention designed to be implemented before a threat event and reduce or prevent deviations in activities. Examples of preventive control include; segregation of duties, proper authorization, adequate documentation, and physical control over assets. If preventive control fails, there are indications of major weaknesses in the overall control structure that lead to deficiencies in subcomponents that will make the organization vulnerable to all kinds of risks (Tambari et al., 2019). Second, Detective controls are controls designed to detect threat events as they occur and provide assistance during investigations and audits after the event (Virtue & Rainey, 2015).

This study aims to analyze the effect of preventive control and detective control on the effectiveness of budget

implementation with accountability as a moderating variable. It is hoped that this research will contribute to improving and maintaining effectiveness in budget execution so that the government can carry out accountable internal controls by considering preventive and detective controls.

## **LITERATURE REVIEW**

### **Goal setting theory**

Goal setting theory is one part of motivation theory. This theory was pioneered by Locke and Latham (2006) suggesting that individual goals are an important determinant of how the individual exerts his abilities. This goal setting theory can measure job satisfaction and high goal commitment will affect managerial performance in achieving budget absorption.

### **Preventive Control**

Lacotelli (2009) suggests that preventive control is an action taken by management to prevent non-compliance with directives, policies and procedures. Preventive control is used to prevent the risk of errors, fraud and irregularities in transactions and fraud prevention. Preventive control is also a control that is carried out to prevent fraud and anticipate before the occurrence of problems that are not desired by management (Afkar, 2016).

### **Detective control**

Detective control is a control that is carried out by researching and evaluating accountability report documents, usually after the activity is carried out by comparing what happened with what should have happened. One example of detective control is checking copies of calculations, preparing bank reconciliations and trial balances every month (Schandl & Foster, 2019). Detective control provides evidence or fraud that occurred but does not prevent losses, for example making large payments without permission so that reconciliation control, internal inspection, physical discovery, analysis and audit must be carried out (Wangombe, 2017).

### **Effectiveness of Budget Execution**

Effectiveness of budget implementation is the stage where financial activity plans are carried out containing proposed expenditure work in one period from sources of income to finance expenditures in monetary units on time from those that have been determined and carried out in accordance with the plans and costs incurred (Eton, 2018).

### **Accountability**

According to Government Regulation no. 71 of 2010 concerning Government Accounting Standards, Accountability is the responsibility to manage data sources and implement policies entrusted to reporting entities in achieving the goals that have been set.

## **RESEARCH METHODS**

This study used a quantitative approach. This research is an explanatory research that aims to determine the causality relationship between variables through hypothesis testing. The object of this research is the local government in the Regional Work Unit (SKPD) of Sinjai Regency. This research method uses a survey by distributing questionnaires directly. Data collection in this study was using one stage (cross sectional study). This study uses a Likert scale as a scale measurement variable. The population of this research is the local government in the SKPD of Sinjai Regency, namely echelon III and IV (head of service, secretary, treasurer)

with a total of 30 SKPD. With the characteristics of the respondents, namely gender, age of respondents, position, level of education, and years of service as local government officials. This study uses SPSS (Statistical Package for the Social Science) for data processing. The analysis and tests carried out in this study were descriptive statistics, classical assumption tests (normality test, multicollinearity test and heteroscedasticity test).

## RESEARCH RESULTS

The analytical method used to test the hypothesis in this study is to use Moderate Regression Analysis (MRA). Multiple analysis was carried out with two stages of testing. The first stage is multiple regression which is carried out without moderating. The second stage is the regression which is carried out with the moderating variable of auditor ethics. A. Multiple Regression Test Results

Independent Variable	Coefficient	t-value	Sig.	Information
Constant	6.801			
Preventive control	0.318	4,603	0.000	Significant
Detective control	0.776	6,312	0.000	Significant
$\alpha = 5\% = 0.05$ r square = 0.514				

Based on the results of the regression test above, the following mathematical equation can be arranged:

$$Y = 6.801 + 0.318X_1 + 0.318X_2 + e \dots (1)$$

From the above equation shows that the coefficient values for all independent variables are positive. This indicates that the effect of the preventive control and detective control variables is directly proportional to the effectiveness of the budget implementation variable.

The table above also shows that the preventive control and detective control variables have a significant effect on the effectiveness of budget implementation. This can be seen from the probability value which is smaller than 0.05, where the probability value for preventive control is 0.000 and for detective control is 0.000. These results indicate that all independent variables have a significant effect on the dependent variable.

### B. The results of the regression test with the moderating

Independent Variable	Coefficient	t-value	Sig.	Information
Constant	56.735			
X1.Z	0.037	2.076	0.041	Significant
X2.Z	0.093	2.108	0.038	Significant
$\alpha = 5\% = 0.05$ r square = 0.632				

The value of the coefficient of determination R square in the test results above shows a value of 0.632 or 63.2%. These results indicate that the effectiveness of the budget implementation variable is influenced by

63.2% by preventive control (X1) and detective control (X2) after interacting with accountability (Z). The remaining 36.8% is influenced by other variables outside of the independent variables studied in this study. Based on the results of the regression test after interacting with the accountability variable (Z), the following mathematical equation can be arranged:

$$Y = 56.735 + 0.037X1.Z + 0.093X2.Z + e \dots (2)$$

From the table above, it is known that after the preventive variable control interacts with accountability (moderation) has a probability of 0.041 below the standard value of 0.05 significance. This shows that accountability can moderate the effect of preventive control on the effectiveness of budget execution. The coefficient for the interaction of the preventive control and accountability variables is positive 0.037, which means that the accountability variable strengthens the effect of preventive control on the effectiveness of budget implementation.

Furthermore, the detective control interacting with accountability (moderation) has a probability value of 0.038 below the significant standard value of 0.05. This shows that accountability is able to moderate the effect of detective control on the effectiveness of budget implementation. The coefficient for the interaction of detective control and accountability variables is positive 0.093 which means that the accountability variable strengthens the effect of detective control on accountability.

## DISCUSSION

A. Preventive control has an effect on the effectiveness of budget implementation.

The test results show that the proposed hypothesis 1 is accepted, thus the hypothesis which states that preventive control has an effect on the effectiveness of budget implementation. Empirically it can be proven. This finding indicates that preventive control significantly affects the effectiveness of budget implementation in the district. Sinjai. This shows that the greater preventive control that government officials have in carrying out control will produce a good impact on the implementation of the budget made. The results of this study are in line with research (Fajri, 2018; Peter et al, 2020; Periansyah et al, 2020; Hadi et al., 2018) the results show that preventive control has a significant positive effect on the effectiveness of budget implementation.

B. Detective control has an effect on the effectiveness of budget implementation.

The test results show that the proposed hypothesis 2 is accepted, thus the hypothesis which states that detective control has a positive effect on the effectiveness of budget implementation can be empirically proven. This finding indicates that detective control significantly affects the effectiveness of budget implementation in the Kab. Sinjai. This proves that the effectiveness of budget execution has optimized its detective control both in terms of reconciliation, verification and review of operating performance. This means that the higher the detective control, the effectiveness of budget implementation tends to increase. The results of this study are in line with research (Baskara, 2017; Haryoto; 2020; Periansyah et al., 2020) that detective control effect positive

C. Accountability moderates the effect of preventive control on accountability

The test results show that the proposed hypothesis 3 is accepted. Thus, accountability moderates the relationship between preventive control and the effectiveness of budget implementation can be proven. The findings also show that accountability can significantly strengthen the effect of preventive control on the effectiveness of budget implementation. This shows that the high level of accountability strengthens the effect of preventive control on the effectiveness of budget implementation in the Kab. Sinjai. These results are in line with research (Mulyasa et al., 2020; Bozkurt et al., 2017) which states that the interaction of preventive control and accountability moderates the effectiveness of budget execution.

D. Accountability moderates the effect of detective control on the effectiveness of budget execution.

The results of testing hypothesis 4 show that the proposed hypothesis has an effect. It means that

accountability moderates the relationship between detective control and the effectiveness of budget implementation can be proven. The findings of this study also show that detective control owned by the government supported by accountability can provide a significant relationship to the effectiveness of the implementation of the budget produced by the district government. Sinjai. This is in line with research (Frazer., 2016; Mulyasa et al., 2020) which states that the interaction of detective control and accountability moderates the effectiveness of budget execution.

## CONCLUSION

Preventive control has an effect on the effectiveness of budget implementation, meaning that the better preventive control in the government will result in the better the effectiveness of the budget implementation produced by the leader.

Detective control affects the effectiveness of budget execution, meaning that the higher detective control in carrying out budget execution, the more effective reconciliation, verification, and review of operational performance can indicate good internal control.

Accountability moderates and strengthens preventive control on the effectiveness of budget execution. It can be interpreted that, the higher the accountability of a leader, the higher the effect of preventive control on the effectiveness of budget implementation.

Accountability moderates and strengthens the relationship between detective control and the effectiveness of budget execution. Accountability will influence and strengthen the relationship between the effectiveness of budget implementation. This is in line with goal setting theory which studies how a leader can understand the expected goals of him.

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